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On Behalf of the
American Health Information Management Association
To the
Standards Subcommittee
National Committee on Vital and Health Statistics
June 10, 2014

Dr. Suarez, Mr. Soonthornsima, members of the subcommittee, ladies and gentlemen; good afternoon. I am Sue Bowman, senior director, coding policy and compliance, for the American Health Information Management Association (AHIMA), and AHIMA has been asked to comment this afternoon on the ICD-10-CM/PCS ("ICD-10") delay.

For those of you not familiar with AHIMA, we are an 85-year-old not-for-profit association of professionals, educated, trained, certified and working in the field of health information management (HIM) and health informatics. AHIMA is recognized as the leading source of HIM knowledge, a leader in assuring that health information is valid, accurate, complete, trustworthy, and timely, and a respected authority for rigorous professional education and training. With more than 71,000 members in the United States, HIM professionals work in multiple and diverse employment settings associated with our nation's healthcare industry in more than 60 different job types and roles.

AHIMA and its members have been involved in various aspects of classification and terminology standards and systems and use of these standards and systems for many decades. Our work has also included the integration of terminology and classification standards into transactions and communication standards and operating rules. AHIMA and its members are active in a variety of standards development organizations including Health Level 7 International (HL7), ISO 215 Technical Committee for Health Informatics (ISO 215) and the US Technical Advisory Committee, the International Health Terminology Standards Development Organization (IHTSDO), and the World Health Organization Family of International Classifications (WHO-FIC).

Since the 1960s, AHIMA has been a member of the Cooperating Parties for US use of ICD classification systems along with the American Hospital Association (AHA), the Centers for Disease Control and Prevention (CDC), and the Centers for Medicare and Medicaid Services (CMS). AHIMA also serves on the editorial boards for ICD-9-CM, ICD-10-CM/PCS, HCPCS, and CPT.® In addition, AHIMA is the designated secretariat for the ISO-215 (Health Informatics)[1] and the US-TAG.[2]

AHIMA has organized its comments to respond to the following questions:

- **What are the main challenges, issues and risks associated with the delay in the implementation of ICD-10?**

AHIMA's most recent (2014) ICD-10 and Computer-Assisted Coding Summit[3] took place just a few weeks after enactment of the Protecting Access to Medicare Act of 2014,[4] so the sudden and unexpected delay in ICD-10 implementation was the subject of much discussion and debate during this event. Some of the significant challenges associated with the delay that we heard at our summit include:

- Loss of forward momentum;
- Loss of stakeholder attention and focus;
- Skepticism regarding firmness of next compliance date;
- Increased implementation costs;
- Re-direction of ICD-10 budget to other activities (some organizations' ICD-10 budgets were never completely restored after the last delay);
- Diversion of personnel to other projects;
- Hired or contracted staff brought on board for ICD-10 work needed during final stages prior to compliance date that are now no longer needed until next year;
- Maintaining coders' ICD-10 skills between now and the compliance date;
- Loss of coding staff as individuals retire before ICD-10 is finally implemented;
- Declining physician interest and engagement;
- Persistent myths, misinformation, and unsupported hypotheses regarding issues such as "alternatives" to ICD-10 adoption (i.e., SNOMED-CT, ICD-11), projected coding accuracy and productivity impacts, and implementation costs and complexity, which detract from industry focus and commitment to ICD-10 transition preparation;
- Employment prospects for more than 25,000 students in HIM associate and baccalaureate educational programs are jeopardized by the delay, as many of these students have been trained exclusively in ICD-10.[5]

A significant industry-wide risk is that entities that were already behind in their ICD-10 planning and preparation won't use this additional time in order to catch up, and entities that may have been on track for the 2014 compliance date will fall behind as a result of some of the challenges I just mentioned.

- **What are the most important areas and opportunities to focus on during the delay period?**

Although many stakeholders are disappointed and even frustrated by the ICD-10 delay (or "extension" as some participants at our ICD-10 Summit characterized it), we believe that this is an opportunity to reflect, regroup, and revitalize. The extra time offers all stakeholders the chance to "get the transition right" and mitigate risks caused by inadequate preparation.

We understand that many organizations did not leverage the opportunities presented by the last delay to prepare and transition to ICD-10. It is essential for all stakeholders and organizations to take advantage of the opportunities provided by this recent delay. AHIMA believes that there are several top priorities for focus over the next year: clinical documentation excellence, education, and testing. Achieving high-quality documentation and thorough coder preparation minimizes the adverse impact of the ICD-10 transition on coding accuracy and productivity, which in turn reduces the potential for rejected claims and payment errors. In addition, quality documentation will help improve today's ICD-9-CM coding accuracy. And ICD-10 education has been shown to improve ICD-9-CM coding accuracy, as basic coding principles are reinforced and foundational knowledge in biomedical sciences is strengthened.

Other specific areas for focus over the next year include:

- Increasing engagement with physicians and their staff, ancillary departments, post-acute providers, in order to ensure all stakeholders are informed partners in a successful transition to ICD-10;
- Evaluating and resolving ICD-9-CM coding and documentation issues;
- Continuing to focus on clinical documentation improvement initiatives;
- Leveraging technology to provide "real time" documentation improvement tools to facilitate documentation capture at the point of care;
- Developing more thoughtful and comprehensive educational plans;
- Focusing intensively on coder education, continually enhancing their skills, including ensuring coders have a solid foundation in basic coding education and biomedical sciences;
- Shortening the coding learning curve by encouraging ICD-10 trained coders to continue to practice ICD-10 coding;
- Continually assessing and improving coding accuracy and productivity;
- Analyzing data to identify and focus on high-risk areas;
- Implementing and fine-tuning computer-assisted coding technology;
- Conducting more robust testing;
- Using ICD-10 data collected from dual coding to demonstrate the value of ICD-10.

The delay also presents an opportunity to add new HIM graduates to their ICD-10 project teams, as these individuals have been trained in ICD-10 and are an excellent source of ICD-10 expertise.

- **What are the implications, impact of the ICD-10 delay? Business operations, systems, resources, financial? What are the cost implications of the delay in implementation of ICD-10?**

Five and a half years after the final rule adopting ICD-10 was published, the US still has not implemented the ICD-10 code sets, leading some people to question whether the transition will ever occur. Until the interim final rule establishing October 1, 2015, as the new compliance date is published, uncertainty regarding the transition date will continue to persist. And even after this rule is issued, we believe that many stakeholders will still not move forward with ICD-10 preparation and implementation activities because they will likely expect the compliance date to be delayed again next year.

Any ICD-10 delay is disruptive and costly for healthcare delivery innovation, payment reform, public health, and healthcare spending. Since the final rule adopting the ICD-10 code sets was published in 2009, the healthcare industry has made significant investments in the ICD-10 transition.[6] The healthcare industry has dedicated considerable time and resources in financing, training, and implementing the necessary changes to workflow and clinical documentation. Implementation costs will continue to increase considerably with every year of a delay. ICD-9-CM versions of systems will have to be updated to remain current and usable. The delay will require the ICD-10 conversion work already performed to be updated, retested, and reintegrated – greatly increasing the cost of conversion.[7] In addition, significant costs will be incurred for ongoing staff training and maintenance of ICD-10 coding skills for staff that have already received training.

Our members and other stakeholders have told us that this delay may translate to a 30 percent cost increase for many organizations, based on organizations' experience with the previous one-year delay. This figure does not include the lost opportunity costs of failing to move to a more effective code set.

The lost opportunity costs of failing to move to a more effective code set also continue to climb every year. The enormous investment that is being made in accountable care organizations, meaningful use of electronic health records, and value-based purchasing are all predicated on having a more precise and comprehensive diagnosis and procedure coding system that is up to date with the rapid changes in practices and technologies utilized in today's healthcare system.[8]

Significant ongoing costs are being incurred because of the failure to replace the ICD-9-CM code set. Continued use of the out-of-date and imprecise ICD-9-CM code set results in costs associated with:

- Inaccurate decisions or conclusions (including those pertaining to healthcare delivery, reimbursement, research, or performance) based on faulty or imprecise data;
- Administrative inefficiencies due to reliance on manual processes;
- Coding errors related to code ambiguity and outdated terminology; and
- Worsening imprecision in the ICD-9-CM code set due to the inability of the code structure to adequately accommodate requested modifications, exacerbated by the partial code freeze that has been in effect since 2011.[9]

This additional delay will also exacerbate and complicate the current coder shortage and, as previously noted, will dampen the employment prospects for thousands of students in health information management (HIM) associate, baccalaureate and coding certification educational programs, as many have learned to code exclusively in ICD-10.[10] The delay also affects academic programs and employers that need to make critical financial and budget decisions about investing in providing education for ICD-9-CM for new graduates who need it, as well as offering additional ICD-10 training to maintain the coding skills of ICD-10-prepared individuals.

The impact of the delay is brought home to AHIMA through feedback from our members and connections in the industry, as well as informal methods such as a real-time poll conducted during our ICD-10 Summit in which 88 percent of respondents said they were disappointed by the ICD-10 delay.[11]

Broader research is forthcoming this summer as AHIMA and the eHealth Initiative are currently in the process of conducting an industry-wide survey on the impact of ICD-10, including the impact of the delay. We would be pleased to share the survey results with you once they are available. We are optimistic that results from the survey will help inform public policy and are critical in documenting progress and preparation.

- **What must be done to ensure no further delay?**

It is imperative that there be no further delays in ICD-10 implementation to start realizing the benefits of better data as well as to control implementation costs. To prevent further delays, as well as achieve a successful transition to the ICD-10 code sets in 2015, AHIMA recommends that:

- CMS work with public and private sector organizations to broaden and deepen awareness of the appropriate use(s) of ICD-10 and to dispel the ongoing misunderstandings and myths that exist regarding code set implementation.[12, 13]
- CMS must help lead efforts with stakeholders to educate members of Congress and key White House staff on the value of ICD-10, as well as the adverse consequences of the current delay and any future delay.
- CMS and other federal partners must emphasize that many public and national health information systems, reporting programs, and data sets rely on accurate and timely ICD codes to classify and track disease morbidity and mortality, quality of care, and health disparities and to otherwise monitor public health.
- CMS work with other industry stakeholders to offer training, education and technical assistance, including the development of customized resources, to help "at risk" constituencies (such as small physician practices, rural providers, and critical access hospitals) prepare for, achieve, and maintain readiness for ICD-10 implementation.
- All stakeholders "stay the course" with ICD-10 planning and preparation activities and be fully committed and prepared for the October 1, 2015 compliance date.
- CMS should work closely with public and private sector stakeholders to ensure comprehensive and ongoing end-to-end testing for ICD-10.

Conclusions

Avoiding further delay in ICD-10 implementation is critical to limit implementation costs and also to be able to begin to leverage the opportunities anticipated by the availability of better healthcare data. Each delay is disruptive for healthcare delivery innovation, payment reform, public health, and healthcare spending.[14] It is now more than 10 years since the National Committee on Vital and Health Statistics sent a letter to the HHS Secretary recommending the ICD-10 code sets be adopted as replacements for the ICD-9-CM code set and more than five years since the final rule adopting the ICD-10 code sets was published.[15] The quality of healthcare progressively deteriorates as long as the US continues to rely on the outdated and imprecise ICD-9-CM code set.

Active engagement and commitment by all stakeholders are essential to preventing another delay and transitioning to ICD-10 smoothly. To be prepared for ICD-10 implementation in 2015 and to mitigate risks presented by the ICD-10 transition, it is imperative for all healthcare organizations to remain fully committed and "stay the course" on ICD-10 planning and preparation activities. Over the next 15 months, AHIMA recommends that organizations focus on achieving documentation excellence, providing education to coders, clinicians, data users, and other stakeholders, and conducting testing with business partners.

ICD-10 is the next-generation coding system that will modernize and expand the capacity of public and private payers to keep pace with changes in medical practice and healthcare delivery by providing higher-quality information for measuring service quality, outcomes, safety, and efficiency. By allowing for greater coding accuracy and specificity, ICD-10 is key to collecting the information needed to implement healthcare delivery innovations such as patient-centered medical homes and value-based purchasing. ICD-10 will enable better patient care through better understanding of the value of new procedures, improved disease management, and an improved ability to study and understand patient outcomes, yielding benefits to patients far beyond cost savings.

AHIMA is committed to working with HHS and industry partners through advocacy, outreach, and educational initiatives in order to prevent any further delay in the ICD-10. We will continue to assist HHS and other ICD-10 stakeholders in providing guidance, education, tools, or other resources that would avoid the potential for another delay or would help all healthcare organizations transition successfully and smoothly to ICD-10 on October 1, 2015.

Thank you for inviting AHIMA to testify today. I would be happy to answer any questions.

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[1] International Organization for Standardization. "ISO/TC 215 Health Informatics." http://www.iso.org/iso/standards_development/technical_committees/other_bodies/iso_technical_committee.htm?commid=54960.

[2] U.S. TAG to ISO/TC215 Annual Membership Application 2014. http://www.ahima.org/~/media/AHIMA/Files/AHIMA-and-Our-Work/ISOMember.ashx.

[3] AHIMA. "2014 ICD-10-CM/PCS & CAC Summit." http://www.ahima.org/events/2014April-ICD-10-CAC.

[4] Public Law 113–93, 113th Cong. (April 1, 2014). Protecting Access to Medicare Act of 2014. http://www.gpo.gov/fdsys/pkg/BILLS-113hr4302enr/pdf/BILLS-113hr4302enr.pdf.

[5] ICD-10 Coalition letter to Marilyn Tavenner, April 11, 2014. http://coalitionforicd10.wordpress.com/2014/03/26/letter-from-the-coalition-for-icd-10/.

[6] Averill, Richard, and Sue Bowman. "There Are Critical Reasons for Not Further Delaying the Implementation of the New ICD-10 Coding System." *Journal of AHIMA* 83, no.7 (July 2012): 42-48. http://journal.ahima.org/wp-content/uploads/Critical-Reasons-for-Not-Further-Delaying-ICD10.pdf.

[7] ICD-10 Coalition letter to Marilyn Tavenner, March 12, 2014. www.ahima.org.

[8] Ibid.

[9] Ibid.

[10] ICD-10 Coalition letter to Marilyn Tavenner, April 11, 2014.

[11] AHIMA ICD-10 Summit poll results, April 24, 2014. http://library.ahima.org/xpedio/groups/public/documents/ahima/bok1_050665.pdf.

[12] Medicare Learning Network. "ICD-10-CM/PCS Myths and Facts." April 2013. http://www.cms.gov/Medicare/Coding/ICD10/downloads/ICD-10MythsandFacts.pdf.

[13] Averill, Richard F., and Rhonda Butler. "Misperceptions, Misinformation, and Misrepresentations: The ICD-10-CM/PCS Saga." *Journal of AHIMA* web site, June 20, 2013. http://journal.ahima.org/2013/06/20/misperceptions-misinformation-and-misrepresentations-the-icd-10-cmpcs-saga.

[14] ICD-10 Coalition letter to Marilyn Tavenner, April 11, 2014.

[15] AHIMA. "ICD-10 Timeline." 2014. http://library.ahima.org/xpedio/groups/public/documents/ahima/bok1_050688.pdf.